

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES
INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS
WITH FOREIGN POSTAL OPERATORS
CANADA POST CORPORATION - UNITED STATES POSTAL
SERVICE BILATERAL AGREEMENT (MC2010-35)
NEGOTIATED SERVICE AGREEMENT

Docket No.
R2012-5

**NOTICE OF UNITED STATES POSTAL SERVICE OF SUBSTITUTION OF
ATTACHMENT**

(December 17, 2012)

This notice concerns Attachment 2 to the Notice filed by the Postal Service in this docket on November 29, 2012. Attachment 2 is an amendment to the bilateral agreement with Canada Post Corporation (“Canada Post” or “CPC”), which was determined by the Commission to be functionally equivalent to the Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 contracts on the market dominant product list.¹ The amendment was filed with redactions applied to protect information determined to be confidential by the Postal Service, along with an application for non-public treatment of the redacted information.

Upon review and in consultation with the Public Representative and officials from Canada Post, the Postal Service provides notice of its substitution of a new version of Attachment 2, which provides greater transparency for public review of the amendment to the bilateral agreement.

¹ PRC Order No. 1078, Order Concerning Rate Adjustment For Bilateral Agreement With Canada Post Negotiated Service Agreement, Docket No. R2012-5, December 27, 2011.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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December 17, 2012

**AMENDMENT TO THE "CANADA POST – USPS CONTRACTUAL
BILATERAL AGREEMENT 2012-2013"**

This Amendment modifies the Agreement between the United States Postal Service (USPS) and Canada Post Corporation (the "CPC-USPS bilateral"), signed by the USPS on December 20, 2011, and by Canada Post Corporation on December 21, 2011 pursuant to article 30 of the CPC-USPS bilateral.

This Amendment modifies the Agreement between the United States Postal Service (USPS) and Canada Post Corporation in the following ways:

1. Creation of new Attachment 8 "Agreement on the International Exchange of Express Items between the U.S. Postal Service and Canada Post" and Appendices A and B "Northbound Rates" and "Southbound Rates" respectively to Attachment 8 (the "Agreement" or "Attachment 8"). The parties thereafter agree to incorporate in the Bilateral Agreement this new Attachment 8 which establishes mutually agreed terms and conditions for the exchange of Express items between the USPS and CPC and which will govern the exchange of Express items thereafter.
2. Amend Article 29 to add "Attachment 8--Agreement on the International Exchange of Express Items between the U.S. Postal Service and Canada Post" to the list of attachments appearing there.
3. This Amendment shall come into force on the later of the two dates on which it is signed by the Parties' representatives below, and it shall remain in effect for the same term as the CPC-USPS bilateral.
4. Notwithstanding the date on which the Agreement comes into force, its effective date remains subject to the Conditions Precedent of article 18 and the limitations of article 30(b) in that the USPS requires approval of the Postal Regulatory Commission prior to implementation of the southbound portion of the Agreement. The Parties warrant that all other necessary approvals have been obtained; thus, all other aspects of the Agreement and this Amendment shall become effective as of the date of the later of the Parties' representatives' signatures below.
5. The Parties may execute this Amendment in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

All other terms and conditions of the Agreement shall remain in force.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Amendment.

CANADA POST CORPORATION

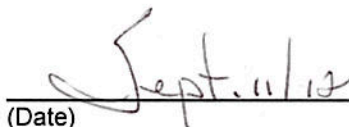
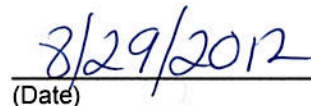
U.S. POSTAL SERVICE



Mr. Jacques Côté
Group President Physical Delivery Network



Ms. Giselle Valera
Managing Director, Global Business and
Vice President


(Date)
(Date)



ATTACHMENT 8

Agreement on the International Exchange of Express Items between the U.S. Postal Service and Canada Post

Article 1: Purpose of the Agreement

The purpose of the Agreement shall be to establish mutually agreed terms and conditions for the exchange of Express items between the United States Postal Service (USPS) and Canada Post Corporation (CPC) within the framework of the Canada Post-United States Postal Service Contractual Bilateral Agreement 2012-2013.

Article 2: Precedence of Agreements

Terms of agreements shall be applied in the following order of precedence when interpreting this Agreement in the case of doubt, ambiguity, conflict or dispute:

1. Specific changes noted in the Table of Differences below.
2. Terms of the Canada Post Corporation—United States Postal Service Contractual Bilateral Agreement effective January 1, 2012 through December 31, 2013.
3. Terms of the Express Service Agreement and its Procedures, as adopted 23 December 1999 and amended from time to time, thereafter, excluding rates.

Article 3: Operation of the Express service

The exchange of Express items between the United States Postal Service and Canada Post shall take place in accordance with the terms of the Express Service Agreement and its Procedures, as adopted in 23rd December 1999 and amended from time to time by the Parties to the agreement or in accordance with its terms and as modified by the changes noted in the Table of Differences below. The rates and the enhanced payment set out in Attachment 8 Annex A and B for Express service will remain in effect for the duration of the Canada Post – United States Postal Service Contractual Bilateral Agreement 2012-2013 and will not be affected by amendments to the Express Service Agreement and may be modified only by written agreement between the United States Postal Service and Canada Post.

Any operational routing, distribution, or sortation changes by either Party require concurrence from the other with regard to both the change and the date of its implementation. This concurrence shall not be unreasonably withheld nor shall implementation be unreasonably delayed.

**Table – Differences applied and article references**

Article reference in the Exprès Service Agreement	Description of the agreed change related to the Exprès Service Agreement to be applied on a bilateral basis between the United States Postal Service and Canada Post Corporation.
List of the Parties	Replace with United States Postal Service (USPS) and Canada Post Corporation (CPC)
Witnesseth:	<p>Replace with the following:</p> <p>WHEREAS the Parties engage in joint marketing and development to develop products to capture growth opportunities in the North American Market, and</p> <p>WHEREAS the Parties have developed product features and requirements for the exchange of lightweight packets [REDACTED], which they refer to as e-Packets, and</p> <p>WHEREAS the Parties are both parties to the Exprès Service Agreement which provides a basic legal framework for the exchange of such items, and</p> <p>WHEREAS the Parties wish to modify the terms of the Exprès Service Agreement to suit their particular needs better within the context of their own Contractual Bilateral Agreement in accordance with Article 8 of the Exprès Service Agreement,</p> <p>Now therefore, the Parties hereby Agree as follows:</p>
[REDACTED]	<p>Delete the following paragraph [REDACTED]</p> <p>Replace with Article 15 Temporary Suspension of Service from the Contractual Bilateral Agreement between CPC and USPS</p>
[REDACTED]	<p>[REDACTED] replace with the following:</p> <p>For greater certainty, the Terminal Dues payable by the Sending Party to the Receiving Party are determined by the Canada Post Corporation-United States Postal Service Contractual Bilateral Agreement 2012-2013, as amended. This agreement shall not affect these Terminal Dues or any penalty provisions applicable to them. [REDACTED]</p>
[REDACTED]	<p>Delete title and text of the article.</p> <p>Replace with "Points of Contact"</p> <p>The points of contact for purposes of correspondence concerning this Agreement shall be the same as those identified in Article 20 of the CPC-USPS Contractual Bilateral Agreement currently in effect.</p>



Replace with the following:

The procedure for settlement of accounts shall be as follows:

The procedure for monthly PREDES based settlement of accounts shall be as follows:

- (a) an invoice shall be prepared monthly by the delivery operator showing:

[REDACTED]

- III. the charge payable for receptacles and items received in excess

northbound commercial – mail class/subclass [REDACTED]

northbound retail – mail class/subclass [REDACTED]

southbound commercial – mail class/subclass [REDACTED]

southbound retail – mail class/subclass [REDACTED]

- IV. the total charge payable

- (b) consistent with the USPS/CPC settlement agreement, the invoice will be an electronic upload to the appropriate GXS mail box and will occur the Sunday following the second Saturday of the month and consist of an overall summary level (of all products), as well as Origin-Destination summary level,
- (c) after verifying the invoice, within 30 days, the origin operator returns a copy with payment to the delivery operator. Should the origin operator wish to dispute the invoice, a copy of the invoice duly amended is to be returned to the delivery operator within those same 30 days. If the delivery operator disputes the amendments, it will confirm the actual data by sending data from the PREDESv2 records to the origin operator. If the delivery operator has not received notice of amendment or acceptance within 30 days from the date of invoicing, the account is regarded as fully accepted.
- (d) Payment terms will be consistent with the USPS/CPC settlement process and shall be made 30 days after receipt or next business day if the 30 days after receipt falls on a weekend or a holiday.

[REDACTED]



[REDACTED]	<p>Delete existing text and replace with the following:</p> <p>This Agreement shall bind the Parties for a period beginning on the date upon which the removal of any conditions precedent identified by the Parties for the full approval of the terms of this Agreement has been accomplished, including establishment of the agreed upon rates. This Agreement shall remain in effect so long as the CPC-USPS Contractual Bilateral Agreement for the 2012-2013 period remains in effect.</p>
[REDACTED]	Delete title and text and replace title with "Deleted"
[REDACTED]	<p>Replace text with the following:</p> <p>The Annexes referred to in the Expres Services Agreement and Appendix 1 to this Agreement are integral parts of this Agreement. Together, they constitute the entire agreement and understanding between the Parties within the context of the CPC-USPS Contractual Bilateral Agreement.</p>
[REDACTED]	Delete title and text and replace title with "Deleted"
[REDACTED]	Delete title and text and replace title with "Deleted"
[REDACTED]	Delete 2 nd paragraph, "The Steering Committee is empowered to amend...."
[REDACTED]	Delete title and text and replace title with "Deleted"
Annex 1: Definitions	<p>Replace the definition of Agreement with the following:</p> <p>The Agreement on the International Exchange of Expres Items between the U.S. Postal Service and Canada Post, included as Attachment 8 to the 2012-2013 Canada Post Corporation – United States Postal Service Contractual Bilateral Agreement, as amended.</p> <p>[REDACTED]</p> <p>Delete the term Steering Committee and its definition.</p>
Annex 2: USPS United States of America (on file with PRIME as of October 2011)	[REDACTED]

Appendix A to Attachment 8

Northbound Rates

The following rates and stream identifiers are established for the Exprès product as described in Attachment 8.

	Service Description (Northbound)	Stream ID = Category + Subclass + Receptacle Type	2012 Rates (SDRs)		2013 Rates (SDRs)	
4.1						

Appendix B to Attachment 8

Southbound Rates

The following rates and stream identifiers are established for the Exprès product as described in Attachment 8.

	Service Description (Southbound)	Stream ID = Category + Subclass + Receptacle Type	2012 Rates (SDRs)		2013 Rates (SDRs)	
3.1						
3.2						
3.3						
3.4						